



Statement

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Tenaska Discontinues its Development Efforts for Clean Coal Projects, Focuses on Ongoing Natural Gas, Renewable Development

OMAHA, Neb. – Tenaska today announced that it will discontinue its development efforts for two advanced coal-fueled electric generating facilities designed to capture carbon dioxide and will focus its efforts on ongoing development of natural gas-fueled and renewable facilities to customers across the nation.

Tenaska's development activity for the Taylorville Energy Center, located in Christian County, Ill., and the Tenaska Trailblazer Energy Center, located in Nolan County, Texas, is being discontinued due to changing economics and the lack of legislation to provide a sufficient foundation for advanced coal projects to move forward.

Tenaska began pursuing these projects in the 2006-2007 timeframe.

“A number of market and policy changes have occurred since then, all of which have contributed to our belief that these projects are no longer viable,” said Tenaska President of Development Dave Fiorelli. “We take a conservative approach to development, working to ensure projects will have a long-term market for their power before we begin construction. That approach has and continues to serve us well, even as markets and policies change, but it means sometimes we have to make difficult business decisions.”

According to Fiorelli, these changing factors include:

- an increase in the supply of natural gas;
- a significant decrease in the price of natural gas;
- the reduced cost of renewable power;
- for the Taylorville Energy Center, the lack of state legislation to implement the long-term sale of an initial clean coal project's electric output; and
- for the Trailblazer Energy Center, a lack of federal law or regulatory policies that would provide a sufficient foundation for the commercial-scale clean coal project to move forward.

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“We’d like to thank all of the people in Illinois and Texas who supported these projects,” Fiorelli said. “In particular, we thank the residents of Christian County and Nolan County who so generously welcomed us into their communities and the state officials who supported legislation and incentives to encourage the development of clean coal energy facilities. We have gained from the opportunity to get to know them and work with them.

“Tenaska is a business that aggressively responds to changing market conditions and policy environments by identifying potential opportunities,” Fiorelli said. “The current market is in need of natural gas-fueled and renewable electric generating facilities. We have a strong record in this space and are confident in our ability to meet customer needs.”

Tenaska has approximately 4,000 megawatts (MW) of natural gas-fueled and renewable energy projects in pre-financing development across the nation. The company has developed and constructed 16 electric generating stations, totaling approximately 9,000 MW throughout its 26-year history. The 130-MW Tenaska Imperial Solar Energy Center South near El Centro, Calif., is under construction and slated for commercial operation in late 2013. At the time of financing, it was among the largest commercially financed solar projects in the nation.